Commonwealth of Massachusetts Department of Telecommunications and Energy Fitchburg Gas and Electric Light Company Docket Nos. D.T.E. 02-24 and D.T.E. 02-25 Responses to the Department's First Set of Information Requests

Request No. DTE 1-20:

Refer to Schedule MHC-7-10 (Gas). Please provide an explanation of why the Company experienced a 62 percent increase in net write-offs between 2000 and 2001.

Response:

The Company experienced a significant increase in net write-offs between 2000 and 2001 due to several factors:

- 1. There was a general downturn in the economy which unfavorably impacted the payment ability of residential and commercial/industrial customers.
- 2. Commodity prices increased significantly, resulting in higher customer bills than in previous years.
- 3. The state of Massachusetts has a "winter moratorium" which prohibits customer shut-offs between November 15 and March 15. However, due to the aforementioned factors, the winter moratorium in Massachusetts was extended to May 1, 2001. This resulted in additional delays of the Company's collection efforts as compared to prior years.

Person Responsible: Mark H. Collin